



SECTION 11

Information Technology Portfolios

11.1 Information technology portfolios and the budget request



IT project requests need to reflect the portfolio planning and management process

Significant information technology (IT) budget request items must be reflected in the agency's IT portfolio. The Information Services Board (ISB) and the Legislature have adopted IT portfolios as the planning and management process for IT resources. The portfolio management process integrates agency strategic planning, technology planning, and the budget process. For the 2003-05 budget process, agencies making budget requests for IT investments should do so in the context of their IT portfolios.

ISB policies regarding portfolio management are available at <http://www.wa.gov/dis/portfolio>. Agencies should contact their assigned Department of Information Services Senior Technology Management Consultant for assistance or additional information.

Agencies may also find valuable information and guidance on analyzing and building a business case for information system options at this Department of Information Services link.

<http://www.wa.gov/dis/isb/coresystem>

Agencies are encouraged to collaborate and coordinate on enterprise-wide investments

From a state enterprise perspective, certain cross-agency business needs may best be met by collaborative IT initiatives built on joint requirements planning and IT solution development. The ISB and OFM are asking agencies to demonstrate collaboration in meeting their common business needs through joint initiatives that reflect a 'build it once - used by many' approach.



To further this goal, agencies are encouraged to include in their decision packages elements, or components, of a coordinated enterprise (across agencies and governments) budget request. Agencies should also note planned investments in financial and administrative systems that could be used by other agencies.

OFM is particularly interested in two types of enterprise-wide investments

Two specific types of enterprise-wide investment proposals are of particular interest to OFM and DIS: joint solutions to Core System replacement and/or collaborative data management projects that span multiple agencies. Examples of the collaborative data management decision packages include such activities as a multi-agency approach to acquisition and distribution of critical geographic information and developing processes and support systems for common data architectures as they apply to key governmental functions.

DIS will assist OFM in evaluating certain IT budget requests

Agencies must send the completed decision package for all IT investments to both OFM and DIS. The IT portfolio process requires that each proposed investment be rated for the severity and risk exposure that it creates. The severity and risk ratings range from 1, the least severe and/or risky, to 3, the most severe and/or risky. (Refer to the ISB portfolio management policies for more guidance <http://www.wa.gov/dis/portfolio>.)

Each proposed investment rated level 2 or 3 will be formally evaluated by DIS. Each proposed investment rated level 1 will be informally evaluated by DIS. IT investments will be evaluated using the portfolio management principles in conjunction with the OFM budget process.

What additional information is needed for an IT investment decision package?

Agencies must include the severity and risk ratings worksheets with their IT investment decision packages. The decision package must include an Investment Analysis section for each proposed new IT investment. While agencies may supply additional documentation in support of the proposal, the Investment Analysis section must include the following components:

Description

- Describe the proposed IT investment.

IT portfolio and business objectives

- Describe how this investment supports the agency's business objectives - including the business, policy, and technical case for the investment. Consider the business objectives, mission criticality, and resulting efficiency gains in the context of the agency's IT portfolio, agency scorecard, and the Governor's priorities. Also consider the relationship to the statewide technical infrastructure and architectural standards. If the investment was rated level 3, has the agency obtained ISB approval? If not, what are the agency's plans to seek ISB approval?

- Digital government**
- Describe how the investment furthers the objectives of the Digital Government Plan and supports the strategic use of the Internet in the delivery of government services. How would the investment change the public's, business partners', and employees' experience in dealing with the agency? How does the investment improve open electronic access to agency information? How does the investment address the Digital Divide?

If the proposal is related to an e-commerce project—an application accepting or disbursing funds or benefits electronically—the agency may be required to prepare an Economic Feasibility Study (EFS). If required, a copy of the approved EFS must be included. For more information on Economic Feasibility Study requirements, please refer to the State Administrative and Accounting Manual at <http://www.ofm.wa.gov/policy/40.htm>.

- Cost-benefit analysis**
- Describe the cost and benefits for the proposed investment. (Note: include all investment costs including internal resources, which means that the dollar figures may differ from those in the funding request.) Agencies should also explain how the cost-benefit analysis supports the investment decision. Describe the assumptions used and how costs were estimated. Describe the breadth of benefits that accrue in terms of the number of citizens or state and local agencies or programs affected. Document expected benefits in terms of increased revenue, cost savings, cost avoidance, and/or increased efficiencies from the investment.

- Technological feasibility**
- Describe the relationship of the investment to the agency's IT infrastructure. Does it move the agency toward mainstream and state architecture? Describe the agency's track record of success with the proposed technology. How was the proposed technology selected and what alternatives were considered? Does the agency have the IT capacity and resources to support the result of this investment? If not, does the investment provide the required IT capacity?

- Project management**
- Describe the approach to manage the investment project, including critical success factors, the securing of executive sponsorship, the use of external contractors, the application of continuous risk management techniques, and the development of both a communications plan and a high level organization plan with assigned roles and responsibilities.

Support for statewide data coordination objectives

- Describe the process for coordinating with other state agencies and other levels of government when appropriate. Describe the proposed information you share in common with other agencies and how your project will help to make the data seamless and comparable and/or improve the accuracy, integrity, value, or usefulness of the information.

Additional item for enterprise-wide application investments

- Describe the process for collaborating with the other agencies involved, the statewide group you are working with, and the lead agency. Where will the enterprise-wide application be hosted and who will provide on-going maintenance and support? Describe the funding plan, including your agency's percentage of the total application cost, what happens if other agency's portions of the investment are not funded, and the source of funds for on-going maintenance and support. If this decision package replicates all or part of an existing or proposed enterprise-wide investment but is not a part of that effort, explain why.

What criteria will DIS use to evaluate IT investments?

DIS will evaluate requests to fund new IT investments using the following criteria:

- Is the investment consistent with statewide and agency portfolio and business objectives?
- How well does the investment support the objectives of digital government?
- Does the agency present a sound business and technical case for the investment?
- Is the investment technically feasible?
- Are the estimates for costs, benefits, and schedule reasonable?
- How feasible is the approach to managing the investment?
- Does the investment demonstrate a high probability of contributing to the success of the agency?
- Does the investment demonstrate a high probability of contributing to and/or benefiting from an enterprise-wide solution?
- Has the proposal been coordinated with other state agencies using similar data?

The DIS evaluation will occur within the period established by OFM for decision package review. DIS will formally document and forward its evaluation and recommendations for level 2 and 3 investments to OFM and copy the requesting agency director. DIS will notify OFM of its recommendations for level 1 investments.

**Review the OFM policy
on IT upgrades**



In the 2001-03 operating budget bill, the legislature directed OFM to recommend information technology upgrade policies. You can find the complete OFM report on IT upgrade policy at

<http://www.ofm.wa.gov/itupgrade/itupgrade.pdf>.

The report recognizes that information technology is a critical tool for conducting state business and that investments in desktop technologies and related infrastructure should be considered an on-going cost of doing business. The report also provides recommended guidelines for equipment replacement and upgrades.